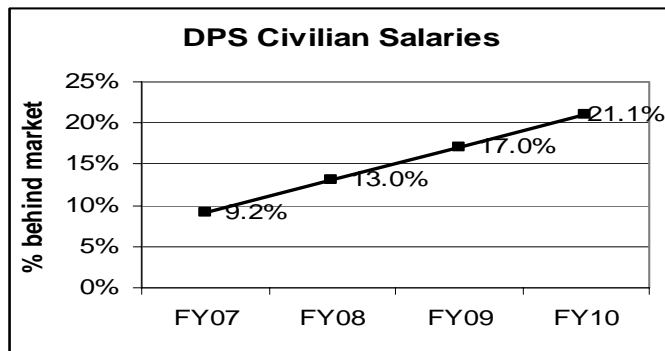


Arizona Department of Public Safety FY 2008 and FY 2009 Budget Issues

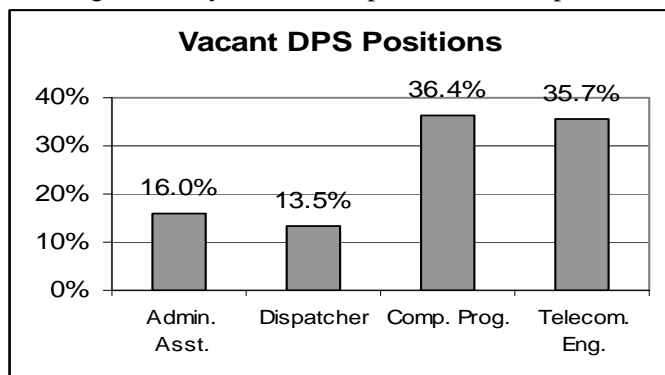


Summary – The following issues represent the Arizona Department of Public Safety's requests for funding adjustments for FY 2008 and FY 2009. In total, the Department is requesting an appropriated budget increase of \$19,542,700, or 8.6%, in FY 2008 and a further increase of \$16,368,900, or 6.6%, in FY 2009. Each budget issue is summarized in this document but additional information on some issues may be found behind the associated budget schedules.

Civilian Pay Adjustments – Based on an August 2006 survey, the average base salary (excluding performance pay) of a civilian DPS employee is 9.2% behind market. Assuming market growth of 3.5% per year, this figure will rise to 21.1% by the start of FY 2010 if not addressed.



DPS civilians must meet higher standards than many of our market competitors by undergoing background checks, polygraph tests, and drug screenings. With a very tight labor market for sworn employees, the Department is counting on civilians to do more and more; yet, we are unable to attract sufficient numbers of qualified employees. We are currently experiencing some high vacancy levels in important civilian positions



In order to fill as many of these and other critical positions as possible, the Department requests an increase of \$2,415,900 in FY 2008 and a total of \$5,421,800 in FY 2009 to fund annual salary increases of 6.5%. If continued for a third year in FY 2010, it is estimated that this plan would put DPS civilian salaries on par with the market.

Sworn Pay Adjustments – Based on an August 2006 survey, the average base salary (excluding performance pay) of a sworn DPS employee is 13.1% behind the market (defined as the average of the five highest salaries paid by county and local law enforcement agencies in Arizona). By July 2007, the average sworn DPS employee is projected to be 18.7% behind market. If not addressed, this situation will exacerbate the Department's current challenges with recruitment and retention.

DPS currently ranks no better than 19th in senior officer pay statewide, behind such small agencies as the Avondale Police Department, the Tolleson Police Department, and the Sierra Vista Police Department. Among the 15 agencies with over 100 sworn employees, DPS ranks 9th in senior officer pay. Together, the 15 largest agencies represent over 78% of all sworn personnel in the State.

Maximum Officer Salaries of Agencies with over 100 Sworn Employees

Pay Rank	Agency	Salary	# of Sworn
1	Scottsdale	\$67,184	389
2	Tempe	\$66,057	329
3	Chandler	\$64,336	297
4	Mesa	\$63,440	801
5	Glendale	\$62,248	365
6	Gilbert	\$61,925	187
7	Peoria	\$61,548	159
8	Phoenix	\$60,882	2,898
9	DPS	\$58,600	1,135
10	Yuma	\$57,521	152
11	Tucson	\$57,450	1,008
12	Yavapai CSO	\$54,646	108
13	Maricopa CSC	\$54,350	744
14	Pima CSO	\$53,851	471
15	Pinal CSO	\$53,851	166

Notes: Salary data from August 2006 survey; # of sworn from "Crime in Arizona, 2005."

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The Department requests continued funding of the Executive's multi-year plan to improve DPS sworn salaries. The requested increase of \$3,000,000 in FY 2008 and \$6,000,000 in FY 2009 would equate to average pay increases of 3.0% and 2.9%, respectively.

Officer Pay Plan – This request funds the normal salary progression for 154 Highway Patrol officer positions first authorized between FY 2002 and FY 2006. The officers occupying these positions are scheduled to go from the minimum pay level of \$42,779 to the midpoint pay level of \$51,402 or from the midpoint level to the maximum pay level of \$60,024. All figures include 2.5% performance pay.

Scheduled Officer Salary Progression

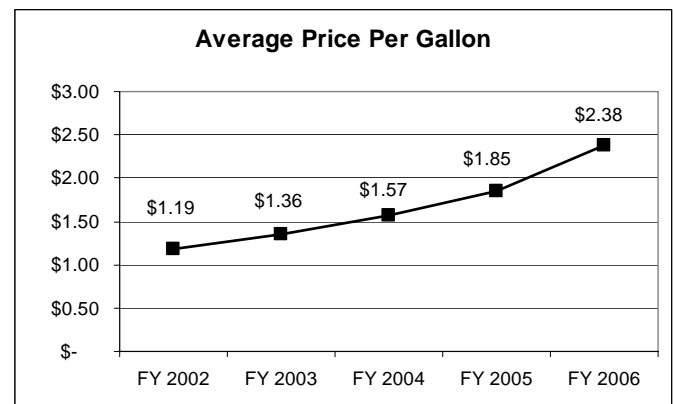
# of Ofcs.	Year Authorized	Min. to Mid.	Mid. to Max.
58	FY 2002		FY 2008
58	FY 2003		FY 2009
14	FY 2005	FY 2008	
24	FY 2006	FY 2009	

In FY 1994, the Legislature approved and funded a three-step plan for all DPS officers. Since then, the Legislature has always provided the necessary funding to move officers in newly funded positions through the range at the required 3-year intervals. Without the additional funding the Department may have to hold positions vacant to cover the salary cost increases.

Information Systems Enterprise Architecture – The Department currently lacks the complete infrastructure to fully support the technology needs of DPS and external law enforcement agencies. The Government Information Technology Agency (GITA) has determined that the standard architecture for the State of Arizona is Service Oriented Architecture (SOA). DPS does not have the funding resources to aggressively move the agency's technology towards this standard open system platform. By funding this architecture change to support an open system platform, off the shelf applications would allow law enforcement officers to perform their job duties in less time and ease the current problem of law enforcement officer shortages.

The Department requests \$1,225,000 in each of FY 2008 and FY 2009 for this important project. A Project Investment Justification (PIJ) is currently in development.

Motor Vehicle Fuel – The price of fuel paid by the Department has increased by 19.1% per year over the last four fiscal years. In FY 2006, DPS faced a fuel budget deficit of \$1,521,700. For FY 2007, our fuel budget was increased by \$1,522,300, enough to cover last year's shortfall. However, prices are currently substantially higher than last year's average.



Assuming a price increase of 19.1% in FY 2007 and again in FY 2008, the Department will face budget deficits of \$728,300 and \$1,596,600, respectively. Both of these figures assume fuel consumption funded by appropriated sources remains at the FY 2006 level of 1,597,312 gallons. DPS requests an additional \$1,596,600 in FY 2008 to cover the projected deficit but no further increase for FY 2009 at this time. If FY 2009 prices increase beyond expectations, we will consider a supplemental budget request.

Finish Design and Test Interoperable Communications System – The Public Safety Communications Commission (PSCC) is charged with designing and constructing a statewide interoperable public safety communications system. The Commission is funded through a special line item within the DPS budget.

Based on the timeline developed by PSCC, the interoperable system is scheduled to be completed

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around August 2013. The Commission has already completed a “concept of operations” and has contracted with a firm to develop the conceptual design of the system.

For FY 2008, PSCC is requesting \$2,200,000 to fund the detailed design phase of the project. In FY 2009, the Commission requests an additional \$4,500,000 to finish testing the identified solution. Long-term funding of the system is expected to be needed beginning in FY 2010. The specific phases of the project described herein are depicted in the following chart.

Public Safety Interoperable Communications System

FY 2007	FY 2008	FY 2009
Conceptual Design \$1 M/Funded	Initial Test of Concept \$2 M/Funded	
	Detailed Design \$2.2 M/Requested	Continued Test of Detailed Design \$4.5 M/Requested

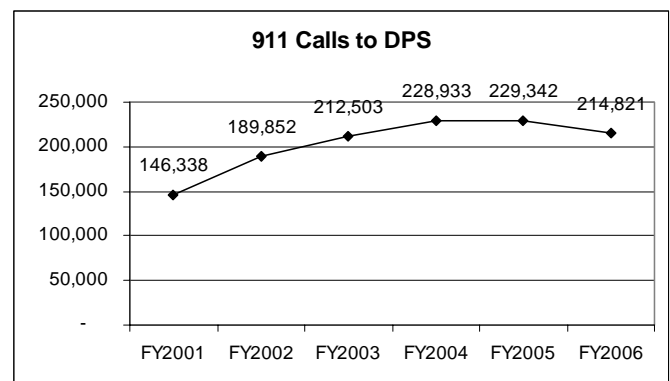
Sex Offender Compliance Team Staffing – The Sex Offender Compliance Team (SOCT) is responsible for maintaining a registry of convicted sex offenders and a website to inform the public of each offender’s home address. In order to ensure the website information is accurate, State law requires DPS to conduct annual address verifications. Since the inception of this law, DPS has struggled to achieve this requirement.

Over the course of FY 2006, DPS added four temporary FTE Positions funded from Anti-Racketeering Fund monies in an attempt to verify 100% of the addresses. At the same time, we redoubled our efforts to track down absconders who failed to register. The absconder effort was very successful, driving down the number from 957 to 675, a 29.5% decrease. However, this effort diverted some attention from the address verification process and we were only able to verify 80% of the addresses. Even so, this was a dramatic improvement over the FY 2005 level of 47%.

With the new positions in place for an entire fiscal year, we are hopeful we can increase the percentage of verifications completed to 90% or better. However,

federal and State guidelines prohibit the use of Anti-Racketeering monies for permanent positions. As a result, DPS requests \$212,200 and 4 FTE Positions in each year to retain these personnel. If not funded, we would lose these positions and the verification process and, more importantly, public safety would suffer.

911 Call Takers – Historically, DPS dispatchers have both answered telephone calls and handled radio traffic. However, 911 calls have risen to such a level that the Department now requires dedicated call takers. Between FY 2001 and FY 2005, the number of 911 calls increased 56.7%. The number tapered off in FY 2006 but is still dramatically higher than 5 years ago.



DPS’ three dispatch centers are staffed well below what is needed to provide adequate coverage for both radio dispatching and 911 calls. As a secondary answering point for 911, DPS receives transfer calls from other agencies (primary answering points). When DPS is unable to answer the 911 calls without delay it causes a burden on the primary answering points and jeopardizes public safety. The average “ring time” for Arizona’s large 911 call centers is 3 seconds; the DPS average is currently 9 seconds.

The Department has calculated a need for 36 call taker positions and currently has 8 funded. As part of a 4-year plan to acquire funding to hire 16 additional call takers, we request \$196,000 and 4 FTE Positions in FY 2008 and a total of \$391,900 and 8 FTE Positions in FY 2009. These requests represent the second and third years of the plan.

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Streamline Hiring Process – The Department faces some tremendous hiring challenges over the next several fiscal years. In FY 2007, DPS was authorized an additional 143 sworn positions. At the same time, the Arizona law enforcement labor market remains extremely competitive as the State grows rapidly and Baby Boomers begin to retire from police work.

In order to maximize our hiring opportunities, we need to streamline our process as much as possible without sacrificing quality. In FY 2006, we conducted 217 background investigations of potential officers. Of these, 149 were conducted by DPS officers who have other responsibilities and 68 were conducted by retired officers on a contract basis. Active duty officers conduct investigations in an average of 7 weeks, while it takes the retired officers an average of 3 weeks to complete an investigation. In today's labor market, quality job candidates cannot be allowed to remain "in limbo" for this long. In addition to the time delays, there are issues with the quality and consistency of these investigations since these investigators do not routinely perform employee background checks.

We also have delays in conducting polygraphs of potential new hires. Currently, there is a waiting list of about 3 weeks for our single polygrapher to conduct a hiring polygraph. We have tried to outsource sworn polygraphs but have had issues with consistency. Again, in a very tight labor market, this delay is costing DPS qualified employees.

The Department requests a total of \$406,700 and 5 FTE Positions in FY 2008 and \$311,700 and 5 FTE Positions in FY 2009 to address these issues by hiring 4 civilian background investigators and 1 polygrapher. The first year costs also include \$90,000 for space modifications to house these employees.

Motorist Assist and Detention Officers – The Highway Patrol's workload continues to grow at a significant rate. Nonetheless, with a large number of existing sworn positions to be filled, the Department is not requesting any new officer positions in FY 2008 or FY 2009.

To address the Highway Patrol's need for more officer time, we intend to free-up existing officers by hiring specialized civilians or limited authority peace officers and by utilizing technology such as mobile data computers (see related budget issue).

In FY 2006, Highway Patrol officers assisted 128,597 motorists who were stranded on the highway. This activity took a total of 42,583 hours, or the equivalent of about 24 full-time officers. Helping stranded motorists is an important safety issue as well as a popular service. In this day and age, it is comforting to the public to have a Highway Patrol employee stop to assist rather than a strange traveler. However, the Highway Patrol employee does not have to be an officer.

DPS requests funding for 6 motorist assist drivers to be stationed in the Tucson and Casa Grande areas (we already have 7 drivers in the Phoenix area). In addition, we are requesting 8 more detention officers to relieve regular officers of the duty of transporting arrestees to jail. Again, this is a valuable time saver. To further increase our efficiency, we are requesting a volunteer coordinator to rejuvenate our "reserve" employee program. In order to support these personnel, we are requesting 1 criminal records specialist to help track reports and 1 personal computer specialist in a continuing effort to add needed technology staff. The FY 2008 cost for these personnel is \$729,700 and the FY 2009 cost is \$1,438,900 (both figures include necessary start-up equipment).

Highway Patrol Staffing Plan

	FY 2008	FY 2009	Total
Motorist Assist Drivers	2	4	6
Detention Officers	4	4	8
Volunteer Coordinator	1	0	1
Support Staff	1	1	2
TOTAL	8	9	17

Civilian School Bus Inspectors – The Department is responsible for conducting an annual inspection on every school bus in the state. This is the responsibility of the Highway Patrol's Commercial Vehicle Enforcement Bureau (CVEB) whose activities are funded primarily by

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a federal grant to conduct motor carrier inspections. The grant does not pay for school bus inspections.

There are 459 schools/districts throughout the state with about 9,000 buses that must be inspected each year. Currently, fully-commissioned CVEB officers conduct these inspections. Each inspection lasts approximately 1 hour, totaling 9,000 hours dedicated to the inspections themselves. This does not include travel time, which can be extensive since some schools are in remote areas, nor does it include time spent on re-inspecting buses that have major violations and must be re-inspected after repairs are made. With the population explosion in various parts of the State, the program is taking up an ever-increasing amount of time. We estimate that we need one school bus inspector for every 1,100 school buses.

The importance of inspecting school buses cannot be overstated for obvious reasons – they transport our children daily to and from school. But historically, we also know that school buses often lack important ongoing maintenance. During the most recent quarter (April through June 2006) DPS officers inspected 2,267 school buses. Of these, 860 had major violations, placing them out-of-service until repairs were made. This means that 37.9% of the school buses inspected statewide during this three-month period did not meet safety standards.

While meeting our mandate by using DPS fully-commissioned officers gets the inspections done, it costs the agency money because the grant that covers the officers' activities does not pay any costs related to school bus inspections. Hence, the agency does not get reimbursed for the hours during which the officers conduct the school bus inspections. This is deducted from the reimbursement voucher and, therefore, DPS loses this portion of salaries that would be covered by the grant. From an operational standpoint it presents a problem, too, because the officers are taken away from the duty of inspecting large trucks for vehicle and driver safety violations. The fact that motor carrier inspectors are doing school bus inspections diverts the agency's attention from these important truck safety issues.

To better address this need, DPS requests \$944,400 and 9 FTE Positions in FY 2008 and \$624,400 and 9 FTE Positions in FY 2009 to fund 8 new civilian school bus inspectors and one automobile mechanic support position.

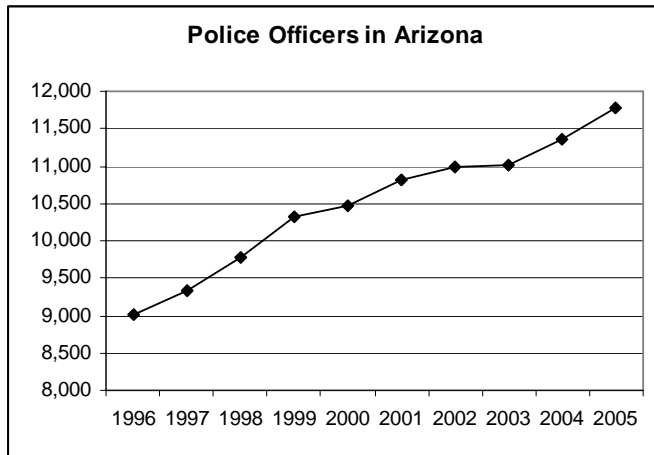
This solution benefits the State in several ways:

- Reduces cost per school bus inspection because civilian salary, benefit, training, and operating costs are lower.
- Better utilizes people and their skills. Fully-commissioned motor carrier officers can focus on law enforcement issues. Civilian school bus inspectors can focus on inspecting school buses, which requires knowledge of the mechanical operations of buses but does not require law enforcement skills.
- Maximizes federal grant funds because officers will conduct more motor carrier inspections, which is reimbursed to the agency.
- Enables us to focus more on NAFTA issues because officers in the southern part of the State and along the border will be able to conduct more inspections on Mexican carriers at the ports and stop Mexican carriers who are violating the NAFTA agreement by driving beyond the NAFTA commercial zone.
- Increase Homeland Security and drug interdiction vigilance because officers who inspect trucks also look for contraband and alert on possible terrorism problems related to trucks and truck drivers.

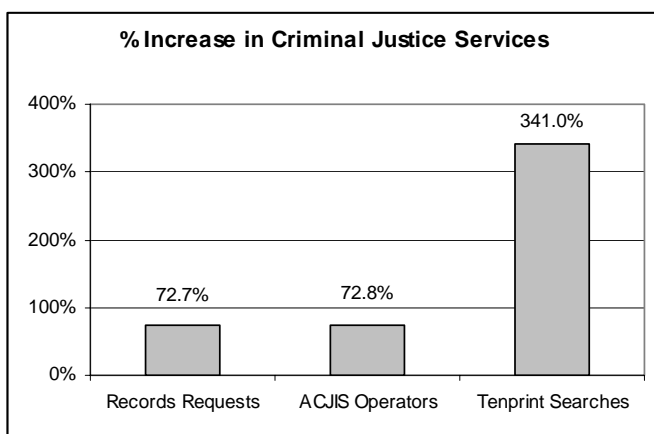
Criminal Justice Services Personnel – Since its establishment in 1969, one of the Department's primary mandates has been to provide criminal justice information to all law enforcement agencies in the state. As the volume of information has grown, DPS staffing has not kept pace.

One of the primary drivers of the need for support services is the number of police officers in the State. In the last 10 years, the number of officers has grown by 30.5% from 9,023 in 1996 to 11,775 in 2005; yet, staffing for DPS criminal justice support services has remained essentially flat.

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During the same time period, the increase in demand for services from the law enforcement community has been even more dramatic. The number of requests for criminal records has increased 72.7% from 1,519,909 to 2,624,236; the number of Arizona Criminal Justice Information System (ACJIS) terminal operators requiring certification has increased 72.8% from 22,090 to 38,166; and the number of ten-print fingerprint searches conducted has increased by a staggering 341.0% from 100,474 to 443,083. All the while, these critical units have received no increases in appropriated staffing.



As part of a 3-year plan to rectify this situation, the Department requests \$643,000 and 11 FTE Positions in FY 2008 and \$1,125,000 and 19 FTE Positions in FY 2009. The personnel would be deployed as depicted in the following chart.

Criminal Justice Services Staffing Plan

	FY 2008	FY 2009	Total
Criminal History Sections	4	3	7
Fingerprint Unit	4	2	6
Access Integrity Unit	3	3	6
TOTAL	11	8	19

DPS Intranet – The agency needs to avoid the time and cost required to purchase, install and support a wide range of software on each user's PC for access to various applications and information. By providing web browser-based access to documents and applications, these costs and administration time would be reduced.

The DPS Intranet will provide flexible and secure access to employee bulletins and policies, critical applications, email and documents from a personalized, role based browser interface. The DPS Intranet will provide secure access not to web applications and also enable key mainframe applications that the Department so heavily depends upon to be delivered in a graphical, browser based presentation. And, from within the DPS Intranet, employees can, from nearly any location at any time, edit and view their documents and also collaborate together using instant messaging and team spaces.

The Intranet will revolutionize the way the Department will manage and distribute information by:

- Allowing increased employee collaboration
- Promoting the sharing of knowledge and ideas
- Providing a single, secure and reliable access to the agency's information
- Improving the ability to manage its information and to also streamline document distribution.
- Increasing productivity through better access to quality information.
- Lowering the total cost of ownership through infrastructure consolidation

In order to implement the Intranet project, DPS requests \$680,800 and 1 FTE Position in FY 2008 and \$159,900 and 1 FTE Position in FY 2009. The Project Investment Justification (PIJ) for this issue has already been

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approved through the Government Information Technology Agency (GITA).

ACTIC Operating Costs – In the wake of the September 11, 2001 terrorist attacks against the United States, the Department and other law enforcement agencies diverted significant resources from their previous assignments to domestic security issues. Arizona had several links to the September 11th attacks and faces on-going risks associated with the state's large urban centers, its proximity to an international border, and a history of significant organized crime activity.

In FY 2005, DPS opened the Arizona Counter Terrorism Information Center (ACTIC) to combat threats to domestic security. The center is staffed by personnel from DPS and many other federal, state, and local agencies in an effort to improve the sharing of intelligence information. The ACTIC has garnered significant national attention as one of the first state-level intelligence "fusion" centers.

Through FY 2007, federal funding is being used to pay for the lease cost of the facility. However, with the State's homeland security grant money having been cut by 60%, we do not expect to have this cost covered by the federal government in FY 2008 and beyond. In addition, the Department has had to cover utility, telecommunications, security, and maintenance costs that are ineligible for federal grants. We request \$1,406,800 in each of FY 2008 and FY 2009 to cover these costs in order to continue to operate this valuable facility. Of this amount, \$980,900 is for the annual lease payment.

AZNET Underfunding – In FY 2006, DPS converted to the State's new centralized telecommunications system, called AZNET. Based on discussions with the Department of Administration, the Legislature intended to fund each agency for its projected shortfall in AZNET charges.

The agreed upon projection for DPS was \$403,500; however, due to fund shifts in the Department's budget, only \$153,300 was allocated for FY 2007. DPS requests an increase of \$250,200 in each of FY 2008 and FY 2009 to cover this shortfall.

Crime Lab Workload Growth – Overall submissions to the Department's Scientific Analysis Bureau (crime labs) increased by 83.1% between FY 1999 and FY 2006. During this time, core appropriated staffing has grown by only 31.7%. The growth in submissions has been most pronounced in the Southern Regional Crime Lab (Tucson), where submissions have increased by a staggering 325.8% in seven years. The northern and western labs (Flagstaff and Lake Havasu City) have also seen dramatic growth of 90.4% and 91.3%, respectively. The central lab (Phoenix), with the largest overall volume of work, has seen significant growth of 40.9%.

Submissions by Crime Lab

	FY 1999	FY 2006	% Change
Central	18,432	25,971	40.9%
Southern	3,032	12,911	325.8%
Northern	3,525	6,712	90.4%
Western	2,052	3,925	91.3%
TOTALS	27,041	49,519	83.1%

The Department requests \$1,319,100 and 13 FTE Positions in FY 2008 and a total of \$2,399,200 and 26 FTE Positions in FY 2009 to address the dramatic growth in submissions. The requested increase in FTE Positions equates to about 9% annually despite the fact that we anticipate submissions will continue to grow at an annual rate of 9% or better. One reason for the relatively modest request is that it would be very challenging to recruit, hire, and train more than 13 new employees in each year. Another reason is that we need more space to house additional staff, particularly in the Tucson lab.

The construction of a new Tucson crime lab is the Department's number one Capital Improvement Plan (CIP) request. The current lab is part of converted warehouse space that comprises DPS' headquarters for operations in Southern Arizona. The lab is inadequate for the current staffing levels, much less for the expanded levels that are desperately needed.

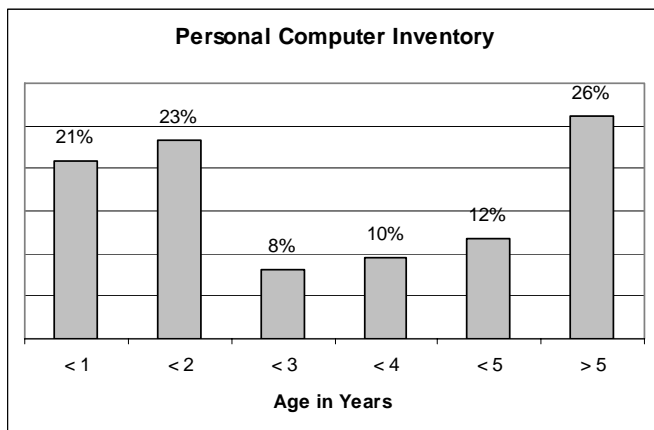
A new lab has already been designed, and we are awaiting construction funding. Construction cost estimates are \$15,600,000. (Please see the CIP for further details.)

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Personal Computer Replacement Program – For the most part, the Department has never been funded for the purchase or replacement of personal computers, printers, and related software. The purchase and use of personal computers evolved slowly over time as this technology became ubiquitous. These items have been purchased on a “catch as catch can” basis at the expense of other needs.

The Department has an inventory of 2,200 personal computers purchased with appropriated funding, not including mobile data computers (see next issue). Of these, 26% are older than 5 years. In most cases, these older computers are not adequate to do their job. DPS requests a total of \$739,200 in each of FY 2008 and FY 2009 to begin an on-going program of personal computer replacement. This funding would replace 440 personal computers and related items, or one fifth of the inventory, in each year. Of these, 290 would be desk top computers and 150 would be laptop computers.



Mobile Data Computer Replacement Program – In FY 2005, DPS deployed a mobile data computer (MDC) system that allows officers to access criminal information directly from their vehicles in the Tucson-Phoenix corridor.

The Legislature initially funded the MDC system as a replacement to an old Mobile Data Terminal (MDT) system that had a total of 220 units. The Department was able to add 130 MDCs through grant funding and the Legislature authorized the purchase of an additional 44

units in FY 2005 and FY 2006 through new Highway Patrol positions.

Thus, through FY 2006, the system stood at 394 funded units, with the potential to get much bigger in FY 2007 as we bring on new GITEM and Highway Patrol units. In addition, the Department is planning to use some of the safety equipment funding (see related budget issue) to expand the system’s coverage area and to add more units. Eventually, the goal is for each sworn DPS employee to have an MDC on a statewide basis.

By FY 2009, the units first deployed in FY 2005 will be 4 years old. In order to maintain the integrity of the system, we believe it is wise to budget for their replacement at that time. DPS requests a total of \$1,970,000 in FY 2009 to replace half of the first 394 units, or 197, at a cost of \$10,000 each. In FY 2008, the funding need for the system actually decreases by \$(378,600) as one-time funding for 29 MDCs and additional software can be eliminated. Thus, the net request in FY 2009 is \$1,591,400 above the FY 2007 level.

Operating Inflation Funding – The State has not made regular adjustments to State agency operating budgets since the early 1990’s. As a result, many of the Department’s programs have inadequate operating funds. Some of the most severe operating budget deficits are in Aviation, Agency Support, and Information Systems.

Significant Operating Budget Deficits

Item	FY 2008	FY 2009
Aviation – Training	\$133,200	\$133,200
Aviation – Maintenance	\$206,900	\$206,900
Aviation – Fuel	\$153,200	\$153,200
Agency Support – Utilities	\$153,000	\$153,000
Information Systems – Software/Hardware Licensing	\$324,900	\$508,900
TOTAL	\$971,200	\$1,155,200

The DPS Aviation Section performs emergency medical evacuations, search and rescue missions, law enforcement operations, and other air support functions. As with motor vehicle fuel, the cost of aviation fuel has increased significantly. Last year, the Department

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absorbed a deficit of \$153,200 in aviation fuel, \$206,900 for aircraft maintenance, and \$133,200 for pilot training (including \$13,600 in related travel costs).

The cost of software licensing and hardware maintenance for the Department's mainframe computer system has increased at a rapid rate. We are projecting deficits in these areas of \$324,900 in FY 2008 and \$508,900 in FY 2009. The mainframe system supports more than 100 applications that are used by law enforcement agencies statewide. These applications include those that constitute the Arizona Criminal Justice Information System (ACJIS) and management and information systems for DPS.

DPS requests increases of \$971,200 in FY 2008 and \$1,155,200 in FY 2009 to cover these essential operating costs. Without these increases, DPS will have to continue to divert funding from elsewhere.

Safety Equipment – Laws 2005, Chapter 307 established new assessments for persons convicted of operating vehicles, aircraft, and motorized boats while intoxicated. The monies are deposited to the General Fund and are available for appropriation to DPS for the purchase of “protective body armor,” “electronic stun devices,” and “other safety equipment.”

The funding has been invaluable in ensuring that our employees have modern, reliable equipment to protect them and the public. The current expenditure plan for FY 2007 is as follows; however, it will be updated shortly to reflect changing costs and needs.

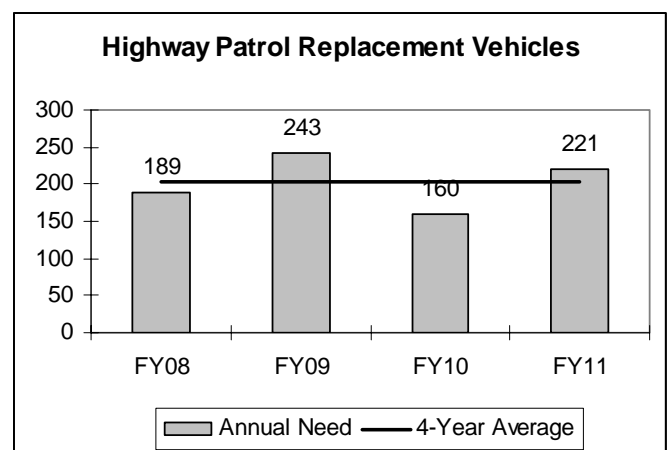
FY 2007 Safety Equipment Expenditure Plan

Item	Estimated Cost
Ballistic Vests	\$ 187,000
Electronic Stun Devices	100,000
Long Rifles	213,000
In-Car Video Cameras	400,000
Training Ammunition	100,000
Helmets, traffic vests, medical equipment, etc.	100,000
Gas Masks	45,000
Mobile Data Computers	1,855,000
TOTAL	\$3,000,000

For FY 2008 and FY 2009, the Department requests annual increases of 2.5% over the base funding level of \$3,000,000 in order to preserve the “purchasing power” of the funding. These increases equate to \$75,000 in the first year and \$151,900 in the second year.

Highway Patrol Vehicle Replacement – Based on annual mileage of 20,000 per vehicle, there will be a need to replace 813 Highway Patrol vehicles (each with over 100,000 miles) over the next four fiscal years. In order to “smooth out” the replacement schedule, the Department requests funding for 203 vehicles per year.

In FY 2008, the total cost for 203 replacement vehicles is estimated to be \$7,500,900, or \$720,900 more than the FY 2007 appropriation of \$6,780,000. The per-vehicle cost (including build-up, extended warranty, and fire suppression system costs) is estimated to be \$36,950. In FY 2009, the total cost for 203 replacement vehicles is estimated to be \$7,875,900, or \$1,095,900 more than the FY 2007 base. The per-vehicle cost for this year is estimated to be \$38,798.



Vehicles are normally delivered to the Department at the end of the fiscal year and are fully deployed early in the next fiscal year after build-up (e.g., radio, light bar, and prisoner cage installation) has been completed.

Operating Costs for New Scottsdale Facility – DPS was recently awarded a 13,070 square foot commercial property in North Scottsdale near State Route 101 through the civil asset forfeiture process. Normally, the Department would sell such a property and place the

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proceeds in the Anti-Racketeering Fund to be reinvested into Department operations; however, in this case, DPS intends to put the building into service.

The Highway Patrol has grown dramatically in the Phoenix metropolitan area in recent years without a substantial increase in support facilities. The proximity of the building to the highway system, its good condition, and its layout lend themselves to use as a Patrol office.

We intend to relocate significant elements of our East Valley Patrol operations to this facility. Preliminary figures indicate that 67 or more Patrol and Criminal Investigations personnel may work out of this facility. This would greatly alleviate the overcrowding at Knutson Station (near the I-17 and I-10 interchange) and the East Valley office (near SR 202 and Country Club).

Annual operating costs for the building are estimated to be \$81,100 including utilities, maintenance, landscaping, and telecommunications. This funding level is requested for both FY 2008 and FY 2009.

Facility Security and Maintenance – In order to accomplish our mission, DPS owns facilities throughout the State. This geographic dispersion poses security and maintenance challenges. Currently, we only have security officers at the Phoenix Headquarters complex; yet we have significant assets and security risks elsewhere.

Rather than hiring security officers for each of our facilities, we believe it is most cost effective to expand our remote camera network to encompass our major facilities throughout the state. In the case of a serious security breach, our security officers in Phoenix would call local police or our own officers to respond.

DPS is currently understaffed with regard to our facilities maintenance staff. The International Facilities Management Association (IFMA) states there should be one technician for approximately every 40,000 square feet of space to maintain. This standard is based on buildings being in one central location, not located in multiple locations throughout a city, county or state.

With 647,858 square feet of buildings to maintain, the standard suggests that DPS ought to have 16 technicians. Instead, we currently have 14 technicians. Without an adequate number of technicians, we struggle to conduct preventative maintain, which can reduce costs in the long run, and to maintain comfortable and safe work environments for our employees and customers.

In order to improve our facilities' security and maintenance, DPS requests \$424,400 and 4 FTE in FY 2008 and \$332,100 and 5 FTE in FY 2009. The first year request includes \$170,000 for security cameras and monitors, and for facility modifications to house the new equipment. It also includes 3 security officers to monitor the cameras. Each year's request includes 1 maintenance technician and equipment, including a vehicle. The request would bring us up to just shy of the standard for maintenance technicians and would allow us to better maintain and secure all buildings including the new North Scottsdale facility (see related request).

Crime Lab Personnel for Pima County Cases – A.R.S. § 41-1771 gives the DPS Crime Laboratory the responsibility to provide scientific services to criminal justice agencies statewide. In FY 2002, the Pima County Sheriff's Office began submitting all of its cases to the DPS Southern Regional Crime Laboratory for analysis. Until then, the Sheriff's Office had an agreement with the City of Tucson's Crime Lab.

The additional workload includes approximately 800 drug cases, 1,200 blood alcohol submissions, plus support of breath alcohol instruments spread throughout Pima County. The Pima County Board of Supervisors recognized that adding this workload to DPS without additional personnel would only result in case backlogs and missed court deadlines. Therefore, the Board originally agreed to fund additional criminalist positions to handle the increased workload.

DPS has requested State funding for this issue in the past but has yet to receive any. The Pima County Board has extended its funding commitment for 4 criminalists through FY 2007 but is not legally bound to continue the funding indefinitely. In light of our statutory responsibility to provide crime lab services, DPS is

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requesting \$342,100 and 4 FTE Positions in each of FY 2008 and FY 2009 to fund these essential positions.

Criminal Justice Integration – While much progress has been made on the Statewide Integrated Criminal Justice Information System for Arizona, much work remains to be done. As these systems and applications become operational, the ongoing funding and support of these systems has become a funding and management issue as no one agency has extra funding for staffing to support and enhance these new applications. While grant funding was used to develop and deploy these applications through the use of private contractors and vendors, the cost would be reduced once a permanent body is established to manage the statewide integration effort. ACDC, ADRS, and other statewide integration applications require ongoing funding and support to continue forward and cannot rely on grant funds, as they are not guaranteed.

DPS has been designated as the hub for these statewide integrated systems. Because of this, there is a need for two additional FTE Positions for programming staff to maintain and enhance the ACDC and ADRS integrated applications. Additionally, the Department will need to purchase the Versata application development software that was used to develop these applications. To support these costs, the Department requests \$237,600 and 2 FTE Positions in FY 2008 and \$176,200 and 2 FTE Positions in FY 2009.

GITEM Modifications – In FY 2007, the Legislature massively increased the budget for the Gang Intelligence and Team Enforcement Mission (GITEM) program from \$9,022,700 and 61.8 FTE Positions to \$26,544,100 and 161.8 FTE Positions. With this increase came a mandate to expand the mission to include immigration enforcement.

The Department continues to work on the FY 2007 expenditure plan for this large increase, with a report due to the Joint Legislative Budget Committee on November 1. Once this plan becomes clearer, we will be in a better position to determine the funding needs for FY 2008 and FY 2009. In the meantime, the budget requests reflect a continuation of funding at the current level.

Contact Tracking System – Until recently, the Department had no system to collect the results of its public contacts (traffic citations, warnings, repair orders, field interrogations). This prevented the Department from using this valuable data to efficiently deploy its resources.

With the help of a grant from the Governor's Office of Highway Safety (GOHS), DPS implemented a system wherein contact forms are scanned into a computer and are available for analysis. The GOHS grant expired at the end of FY 2006 and was not eligible for renewal. As an interim measure, DPS is funding 2 FTE Positions with Anti-Racketeering Fund monies to maintain this invaluable system. However, as mentioned in the Sex Offender Compliance Team budget issue, these monies cannot be used for permanent staff.

DPS requests \$97,800 and 2 FTE Positions in each of FY 2008 and FY 2009 to maintain the system at its current level.

Photographer Position – The DPS Photography Unit photographs and processes digital and film prints for DPS and other law enforcement agencies on an as available basis. Over the past several years, the unit has not grown in proportion to the amount of work required.

In FY 2001, the unit processed 242,634 prints and responded to 55 call-outs (off-duty calls). In FY 2005, there were 306,477 prints processed and 88 call-outs. This represents increases of 26% and 60%, respectively. The increased work is placing an undue strain on the 2 photographers in the unit, particularly because almost all call-outs are late in the night on weekends, when fatalities tend to occur, and take hours to complete.

DPS requests \$109,600 and 1 FTE Position in FY 2008 and \$64,600 and 1 FTE Position in FY 2009 to rectify this situation. The first-year costs include camera equipment and a specialty vehicle to respond to crime scenes.

DPS Support Positions – The Department requests \$76,400 and 1 FTE Position in FY 2008 and \$251,200 and 4 FTE Positions in FY 2009 for a police planner,

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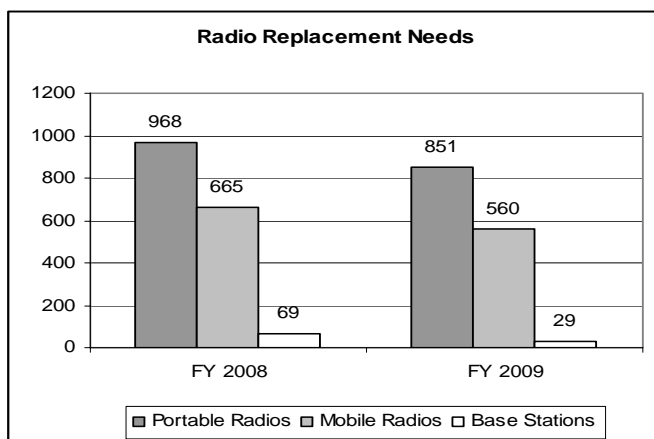


administrative assistant, financial services specialist, and an automotive technician.

Since FY 1998, the Department has received funding for a net increase of 331 new officer positions and 42 new criminalist positions without adequate support staff. In the absence of proper administrative support, officers and other line employees must spend more time on administrative tasks and their productivity will suffer. The 100 new DPS and 100 new other agency positions in GITEM alone easily justify the need for these support positions.

Replacement Radios and Infrastructure – The cost to replace currently out-dated radio equipment and infrastructure greatly exceeds the \$667,300 per year being requested; however, we are limited by the availability of monies and competing priorities.

The radio replacement program is based on a useful life of 7 years for a portable (hand-held) radio, 10 years for a mobile (in-car) radio, and 15 years for a base station (tower broadcast device). Other equipment (e.g., generators, towers, equipment sheds, test equipment, utility vehicles, and wiring) is replaced on an as needed basis. In FY 2008 and FY 2009, the estimated cost of replacing just portable radios (\$2,451 each), mobile radios (\$3,050 each), and base stations (\$15,000 each) that will reach the replacement thresholds is \$5,435,800 and \$4,228,800, respectively.



Crime Lab Replacement Equipment – The Scientific Analysis Bureau has approximately \$3,500,000 in

sophisticated equipment used to analyze all types of cases from toxicology to DNA to materials analysis such as paint and fibers. In today's rapidly changing technological environment, this equipment quickly becomes obsolete with repair parts unavailable. The manufacturers of these sophisticated instruments estimate the number of repair parts that will be needed for five years and stock this amount before retooling for the next advanced equipment model. In order to maintain reliable instruments, a five-year schedule for replacement should be maintained – costing approximately \$700,000 per year.

The Department requests an increase of \$133,100 above the current replacement funding level of \$566,900 to achieve the required level of \$700,000 in both FY 2008 and FY 2009.

Backroom Dispatching Console Equipment – The central electronics for the consoles in the 3 DPS dispatch centers are over 20 years old. Beside the age of the electronic components, they are not capable of further expansion to control more DPS channels, much less the new AERS (short-term) interoperable radio network, or other agency radio channels that would allow for console cross-patching. There is no back-up system to the central electronics, which means that all three dispatch centers, Phoenix, Tucson, and Flagstaff could all go down simultaneously with a major failure in the Phoenix central electronics package.

Total installation costs are estimated to be \$1,500,000 but would best be spread over 3 fiscal years. After installation, on-going maintenance costs are estimated to be \$20,000. DPS requests \$500,000 in each of FY 2008 and FY 2009 to complete the first two years of the installation.

Records Management System – Because DPS has never had a central records database, various areas in the Department have developed their own systems. These unconnected databases force officers and other employees to enter the same information repeatedly and are, therefore, inefficient. A single, integrated system would allow employees to enter data only once, yet make it available in multiple formats and databases as needed.

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DPS requests \$2,966,100 and 3 FTE Positions in FY 2009 to begin to implement a comprehensive records management system. Because of the scope of the project, the system would not be fully operational until FY 2010. In that year, we anticipate needing another \$2,100,000 to complete the system. Annual operating costs beyond FY 2010 would be approximately \$1,000,000.

The Department has allocated RICO monies to design the project; however, RICO is not a suitable funding source for the implementation and maintenance of the system since records management is a core law enforcement need and RICO revenues are inherently unstable. We had hoped to have the system designed by now and a Project Investment Justification (PIJ) for the implementation phase approved through the Government Information Technology Agency. Unfortunately, we have had difficulties finding a suitable vendor for this work, and it has been delayed. We now anticipate completion of design sometime in the spring of 2007, with PIJ approval to follow shortly thereafter.

Fleet Equipment – The current tire machines and balancers at all three DPS fleet shops are in excess of 10 years old and are not capable of functioning with the new tire sizes that are being furnished with new vehicles. With out new equipment we will have to outsource more and more tire replacements as the new sizes become the standard in the DPS fleet. This will increase maintenance cost and officer downtime.

Three new tire machines will cost a total of \$27,000 and three new balancers will cost a total of \$24,000. DPS is requesting the total amount of \$51,000 in FY 2009.

GOHS Matching Funds – The Governor's Office of Highway Safety (GOHS) requests a FY 2008 increase of \$195,400 and a FY 2009 increase of \$230,000 above the FY 2007 State Highway Fund appropriated funding level of \$299,200. These increases are necessary to cover planning and administration (P&A) costs that are ineligible for federal funding and to provide the necessary State match for available federal funds (see documentation prepared by GOHS behind the related funding issue schedule). The requested funding is from the General Fund because the Department's allocation from the State Highway Fund is capped at the current

appropriations level of \$10,000,000. While GOHS is technically separate from DPS, the Legislature appropriates monies to this program through the Department.

Expiration of Helicopter Lease-Purchase – The lease-purchase agreement for a replacement helicopter begun in FY 2005 will be completed in FY 2007. This results in a funding decrease of \$(764,000) in FY 2008 and FY 2009.

Eliminate One-Time Funding for Patrol Positions – This issue eliminates \$(1,949,000) in one-time funding associated with 41 new Highway Patrol positions authorized in FY 2007.

AZPOST Expenditure Adjustments – This is a technical issue to adjust expenditures to expected fund availability in FY 2008 and FY 2009.

Federal Funds Expenditure Adjustments – This is a technical issue to adjust expenditures to expected fund availability in FY 2008 and FY 2009.

Anti-Racketeering Fund Expenditure Adjustments – This is a technical issue to adjust expenditures to expected fund availability in FY 2008 and FY 2009.

DPS Administration Fund Expenditure Adjustments – This is a technical issue to adjust expenditures to expected fund availability in FY 2008 and FY 2009.

CJEF Grants Process – In FY 2008, the Department intends to award \$750,000 in grant monies to state and local law enforcement agencies as authorized by A.R.S. § 41-2401.

GOHS Expenditure Adjustments – This is a technical issue to adjust expenditures to expected fund availability in FY 2008 and FY 2009.